Province of British Columbia

LIQUOR CONTROL AND LICENSING BRANCH
ANNUAL REPORT 1985-86

Honourable Lyall Hanson,
Minister of Labour and Consumer Services

March, 1987

SIXTY-FIFTH ANNUAL REPORT

APRIL 1, 1985 TO MARCH 31, 1986

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MANDATE

Under the authority of the Liquor Control and Licensing Act and regulations, the branch is responsible for:

* issuing and transferring licenses for the sale of liquor;
* licensing breweries, distilleries and wineries, and their agents;
* monitoring and controlling liquor advertising in the province;
* inspecting licensed premises to ensure they comply with the law; and
* taking appropriate disciplinary action against licensees for contraventions of the Liquor Control and Licensing Act and regulations.

INTRODUCTION

The primary purpose of the licensing process is to maximize economic and social benefits to the community while minimizing the social cost associated with the public consumption of liquor.

Within this context, the Liquor Control and Licensing Branch is responsible for:

* monitoring regulated business and marketplace transactions for compliance with legislation, regulations and public protection standards;

* ensuring public protection and market integrity through fair and efficient licensing systems which allow marketplace entry for law-abiding, competent and financially sound applicants; and,

* assisting and informing consumers, business operators and investors regarding their rights and responsibilities under the Liquor Control and Licensing Act and regulations.

In all its dealings, the branch works to promote a progressive and responsive customer service image. Its goal is to provide efficient and equitable service and to manage available resources effectively.

It is the branch's duty to ensure all licensees comply with terms and conditions of their licenses and operate their premises in a proper manner according to the law.

The General Manager of the Liquor Control and Licensing Branch is granted authority to supervise operation of every licensed establishment in British Columbia. The general manager can thus issue a warning or cancel or suspend licences for:

* the licensee's failure to comply with the requirements of the Act or regulations;

* conviction of the licensee of an offence under municipal, provincial or federal laws, where the offence relates to the licensed establishment; for example, many municipalities are now taking action against licensed establishments by exercising powers under business licence by-laws. This action results in an immediate review of the establishment's liquor licence and, although the business licence may be reinstated, the liquor licence may not automatically be restored;

* persistent failure to keep the licensed establishment in a clean and orderly fashion;

* the existence of a circumstance under Section 16 which would prevent the issuing of a licence. For example, a licence may not be issued, renewed or transferred to a person who, in the general manager's opinion, is not fit to hold such a licence; or to a person who is not the owner of the business carried on at the establishment; or if the issuance of a licence would be contrary to the public interest; and,

* suspension or cancellation of a licence, permit or certificate necessary for the operation of the licensed establishment by a municipal, regional or provincial authority.

In general, licensees face disciplinary proceedings if there is a lack of control in the establishment; if licence conditions have been breached; or if there has been a breach of the act, regulations or rules.

Some common situations which result in disciplinary proceedings are: service to minors, service after hours, over-service of patrons, service of liquor without food in restaurants and problems associated with entertainment (usually that which causes or contributes to lack of control in the establishment.)

Liquor inspectors employed by the branch liaise with police, the Liquor Distribution Branch and other government agencies in their geographic areas to assist with enforcement. They also observe and investigate licensed establishments. Reports are filed with the branch.

Police throughout British Columbia assist the branch in enforcing liquor laws by conducting regular walk-throughs of licensed establishments.

The police walk-through program is aimed at preventing criminal or disorderly activity by providing a highly visible police presence. The police bring infractions to the attention of the branch and ultimately submit a report to the branch. Reports are also submitted on problem-free establishments.

Complaints from the public also aid enforcement activities. Every effort is taken to investigate these complaints as well as those brought to the branch's attention by municipal governments or other regulatory authorities.

Every report is thoroughly reviewed.

Tables which illustrate disciplinary action taken in the reporting year are included at the end of this report.

ACTIVITIES DURING 1985-86

A. LICENSING

Strong interest in licensing continued this year as a total of 548 licences were issued representing an overall 12 per cent increase over 1984/85.

A recently established estate winery, Keremeos Vineyards, dissolved and was re-established as St. Laszlo Vineyards.

Three new cottage breweries were licensed during the year: the North Island Brewing Company located in Campbell River, the Victoria City Brewing and Malting Corp. located in Victoria, and the Okanagan Spring Brewery located in Vernon.

The branch continued to receive many enquiries about licensing small breweries and wineries, and there was also a substantial interest in cider production. Very few formal applications have been received.

The branch introduced an amendment to regulations allowing qualified hotels, neighbourhood pubs and marine pubs to set up licensee retail stores to sell domestic beer, wine, cider and coolers. There were 16 licensee retail store extensions granted to those establishments licensed with off-premise sales privileges. The branch has received numerous enquiries and applications with regard to this recent change.

A further amendment allowed draught beer to be served in restaurants and recreational centres. Upon application to the branch, draught beer can be made available to all licensees.

As the opening of Expo 86 drew near, the branch anticipated 80 to 100 new "G" licences on the Expo site. These licences covered various food and entertainment facilities.

B. ENFORCEMENT

Although the majority of licensees continued to operate in accordance the Liquor Control and Licensing Act and regulations, the volume of police reports filed with the branch in 1985-86 continued at a high level and prompt action was taken by the enforcement division in appropriate circumstances.

During the reporting year, nine enforcement decisions were appealed to the Commercial Appeals Commission. Two appeals were

abandoned, five appeals were dismissed, one appeal was pending and one appeal was upheld as of March 31, 1986.

C. ADMINISTRATION

In 1985-86, the Liquor Control and Licensing Branch employed a staff of 50 full-time equivalents including three deputy general managers responsible for policy, research and administration; licensing; and enforcement. The branch employed 23 inspectors around the province.

Expenditures for the fiscal year were $1,996,970.

Table A: License Categories

Seven categories of licences are available.

A Licences:

Hotels, resorts, clubs, recreational centres, aircraft, trains, motor vessels, airports, municipally and provincially owned cultural centres, universities, military messes.

B Licences:

Dining establishments primarily engaged in the service of food.

C Licences:

Cabarets primarily engaged in providing entertainment.

D Licences:

Neighbourhood Public Houses.

E Licences:

Sports stadiums or concert halls.

F Licences:

Establishments oriented to marine activities (Marine Public Houses).

G Licences:

Establishments operating within a world fair or exposition.

LIQUOR CONTROL AND LICENSING

Summary of Licences by Category 1985-86

		Renewed Licences	New Licences	Cancelled Licences	Total Licences at year end
A Licences -	Public House	18	0	0	
	"A" Pub	405	4	4	
	Combined Pub	24	0	0	
	Lounge	1,073	67	16	
	Mess	32	1	0	
	Total	1,552	72	20	1,604
B Licences -	Sandwich Shop	45	17	3	
	Beer, Wine & Liqueurs	0	21	5	
	Dining Room	874	158	41	
	Dining Lounge	2,049	205	94	
	Dining Lounge/ Holding Area	438	44	20	
	Total	3,406	445	163	3,688
C Licences -	Cabaret	231	12	10	233
D Licences -	Neighbourhood Public House	213	14	0	227
E Licences -	Sports Stadium	10	0	0	10
F Licences -	Marine Public House	15	5	0	20
G Licences -	Exposition	0	0	0	0
		5,427	548	193	5,782

LIQUOR CONTROL AND LICENSING

Liquor Licences

1983-84

	Total Licences at April 1, 1983	Licences Issued	Licences Cancelled	Total Licences at March 31, 1984
A Licences	1,469	63	19	1,513
B Licences	3,041	318	99	3,260
C Licences	253	15	19	249
D Licences	183	15	2	196
E Licences	8	6	0	14
F Licences	0	3	0	3
Totals	4,954	420	139	**5,235

1984-85

	Total Licences at April 1, 1984	Licences Issued	Licences Cancelled	Total Licences at March 31, 1985
A Licences *	1,537	75	23	1,589
B Licences	3,308	389	104	3,593
C Licences	239	10	7	242
D Licences	205	11	0	216
E Licences	14	1	0	15
F Licences	11	2	0	13
G Licences	0	0	0	0
Totals	**5,314	488	134	**5,668

1985-86

	Total Licences at April 1, 1985	Licences Issued	Licences Cancelled	Total Licences at March 31, 1986
A Licences *	1,552	72	20	1,604
B Licences	3,406	445	163	3,688
C Licences	231	12	10	233
D Licences	213	14	0	227
E Licences	10	0	0	10
F Licences	15	5	0	20
G Licences	0	0	0	0
Totals	**5,427	548	193	5,782

* An explanation of licence categories can be found in the section on the Liquor Control and Licensing Branch earlier in this report.

** Figures for total licenses at March 31 and April 1 in the same year vary because at the license renewal date (April 1), some licenses become effective while others are not reregistered.

LIQUOR CONTROL AND LICENSING

Revenue for the year ended March 31, 1986

Licence issuance fees	* $	903,550.00
Distillers Licence fees		6,000.00
Winery Licence fees		6,500.00
Brewers Licence fees		230,851.41
Special Occasion Licence fees		253,440.00
Liquor Purchase Assessment fees		15,007,230.19
Transfer fees		54,800.00
Transfer of Shares		12,200.00
Sundry receipts		6,815.87
		$16,481,387.47

* Revenue received from licence fees is calculated on an accrual basis. In other words, the portion of licence renewal fees received during the January 1 to March 31, 1985 period that are applicable to the 1985-86 period are carried forward.

Enforcement Statistics

	1983-84	1984-85	1985-86
Police walk-throughs	25,054	23,091	22,198
Warning letters	278	332	346
Hearings	140	119	122
Suspensions	70	67	75